GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

STARRED QUESTION NO:337
ANSWERED ON:14.12.2006
PRODUCTION/ MANUFACTURING UNITS IN RAILWAYS
Chavda Shri Harisinh Pratapsinh;Patel Shri Jivabhai Ambalal

Will the Minister of RAILWAYS be pleased to state:

(a) the details of the production/manufacturing units in Railways alongwith the locations thereof;

(b) the quantum of production of each unit during the last three years, year-wise;

(c) the profit/loss position of each unit during the said period;

(d) whether the Railways propose to provide more autonomy to these units; and

(e) if so, the details in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF RAILWAYS(SHRI LALU PRASAD)

(a) to (e) A Statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO.337 BY SHRI JIVABHAI AMBALAL PATEL AND SHRI HARISINH CHAVDA REGARDING PRODUCTION / MANUFACTURING UNITS IN RAILWAYS

(a) There are six production units under the Ministry of Railways, their names and locations are as under:

1.Chittaranjan Locomotive Works,(CLW) Chittaranjan
2.Diesel Locomotive Works,(DLW) Varanasi
3.Integral Coach Factory,(ICF) Chennai
4.Rail Coach Factory,(RCF) Kapurthala
5.Rail Wheel Factory, (RWF) Bangalore
6.Diesel Loco Modernisation Works,(DMW) Patiala

(b) The quantum of production of each unit during the last three years, year-wise is as under:-

	2003-04	2004-05	2005-06
CLW Electric Locomotives	86	90	129
DLW Diesel Locomotives	116	121	148
ICF Coaches	1070	1119	1175
RCF Coaches	1201	1201	1263
RWF Wheels	110407	95125	117425
Axles	50513	49502	50569
DMW (Loco rebuilding)	73	74	73

(c) The six production units under the Ministry of Railways are in-house production organizations, operating on a `no-profit no-loss` basis. The full cost of production is transferred to the consuming units (i.e. the user railways), by way of appropriately fixed transfer prices for the various items that are manufactured. However, the profits generated from the sale of rolling stock and /or components to Non Railway Customers are as under:-

	2003-04	2004-05	2005-06
CLW	NIL	NIL	NIL
DLW	336 lakhs	394 Lakhs	1305 Lakhs
RCF	NIL	64 Lakhs	350 Lakhs
ICF	NIL	11 Lakhs	0.05 Lakhs
RWF	73.38 lakhs	173.69 Lakhs	1074.90 Lakhs

DMW 2 Lakhs 11 Lakhs 4.5 Lakhs

(d) & (e) Yes Sir. Certain revised powers have been delegated to the General Managers of the Production Units to make investment decisions, freedom to adopt more competitive pricing & powers for marketing, both in the domestic and international markets, to enable the Production Units to function more efficiently, subject to certain conditions. These are :

1. With respect to pricing for Non-Railway Customers (NRCs) and Exports, GMs are delegated powers to reduce profits up to NIL & overheads upto 5% .

2. Machinery & Plant replacement of upto Rs.30 lacs per item subject to availability of Budget.

3. Purchase of components for supplies against confirmed orders of exports upto Rs.22 crores per case.

4. Expenditure towards hospitality to Non-Railway Customers (NRCs) upto specified ceilings.

5. Expenditure in engaging/obtaining Consultancy Services for Production Units, connected with export orders, from outside bodies up to Rs.50 lakhs in each case or up to Rs.1.5 crores in a year, to be funded from the Market Development Fund.

6. Development of new items, product diversification, marketing efforts and engagement of consultants for sale to NRCs and for exports of upto Rs.5 crores per annum (Rs.1 crore in each case) out of the profits accruing from sales to NRCs and exports, during the course of the year.

7. Powers to import stores from the existing level of Rs.4 crore in each case to Rs.15 crore in each case, as applicable to indigenous purchases.